

AMENDED IN ASSEMBLY MAY 18, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1049**

**Introduced by Assembly Member Aanestad**

February 25, 1999

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An act to add Section 10123.135 to the Insurance Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1049, as amended, Aanestad. Health insurance: disability insurers.

Existing law provides for the regulation of disability insurers by the Insurance Commissioner.

This bill would require every disability insurer that covers hospital, medical, or surgical expenses and that reviews and approves the medical necessity or appropriateness of requests by providers prior to, or concurrently with, the provision of health care services to insureds, to prominently indicate on each insured's identification card whether a separate telephone number must be called to verify eligibility for benefits and coverage. *This bill would also require the insurer to provide a specified notice to the insured in this regard.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 10123.135 is added to the  
2 Insurance Code, to read:  
3 10123.135. (a) Every disability insurer that covers  
4 hospital, medical, or surgical expenses and that reviews  
5 and approves the medical necessity or appropriateness of  
6 requests by providers prior to, or concurrently with, the  
7 provision of health care services to insureds, shall  
8 prominently indicate on each insured's identification  
9 card whether a separate telephone number must be  
10 called to verify eligibility for benefits and coverage.  
11 (b) *A written notice shall accompany the initial*  
12 *mailing of the insured's identification card modified*  
13 *pursuant to subdivision (a). The notice shall indicate that*  
14 *the insured's identification card includes a telephone*  
15 *number that may be used to verify eligibility for benefits*  
16 *and coverage. The notice shall also inform the insured*  
17 *that review and approval of a health care service based*  
18 *on medical necessity or appropriateness does not*  
19 *constitute eligibility for benefits and coverage pursuant*  
20 *to the policy or contract.*

